



**Belmont Redevelopment Agency**

**STAFF REPORT**

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**Resolution Authorizing a Contract with the Belmont Chamber of Commerce for Certain Economic Development Services**

Honorable Chair and Board Members

**Summary**

The City has been working with the Chamber of Commerce over the past year to arrange a contract for services related to economic development activities. Such a contract has been negotiated for \$63,853, and while this is under the limit for administrative approval, staff requests the Agency Board authorize the Executive Director to sign the contract outlined in the attached scope of work for FY 2004-05.

**Background**

The City has traditionally supported the Chamber of Commerce's on-going programs and services. The City's support in FY 2003-04 was \$27,425. The funding was provided through the Community Group Funding process and was paid from both the City and RDA General Funds. Subsequent to the FY03-04 funding, the City indicated it was interested in transitioning to a contract for services relationship with the Chamber.

On April 13 of this year, the Agency received and discussed a report titled "Economic Development Implementation and Finance Options." The report provided an analysis of the ballots from the January Economic Development Summit, a January proposal for services from the Chamber of Commerce, and a summary of possible economic development strategic themes. Agency members discussed both capital and administrative actions and provided additional guidance to staff to come back with a

more refined plan. A number of meetings were held with the Chamber to develop a scope of work related to economic development services.<sup>1</sup>

In August, the RDA Board was presented a spending plan for economic development that covered both administrative and capital spending. It showed an updated proposal from the Chamber for funding of \$66,000. As a result of that night's action, work began on recruiting an economic development manager and finalizing a contract with the Chamber of Commerce. A sub-committee (Warden and Mathewson) was created to work with staff and the Chamber to finalize a scope of services that best met the priorities of the City and the capabilities of the Chamber.

### **Discussion**

The Council sub-committee met with staff to discuss City ED priorities and then met with the Chamber. Agreement was subsequently reached on the categories of service to be provided by the Chamber and the general amount of funding to be provided for each:

|  |                 |                  |
|--|-----------------|------------------|
| Ongoing Operations and Services              | \$27,425        |                  |
| Collection/Analysis of Economic Data         | \$10,000        |                  |
| Development of a "Doing Business in Belmont" | \$10,000*       |                  |
| Handbook and Workshops                       |                 |                  |
| "Shop in Belmont" Campaign                   | <u>\$18,428</u> |                  |
| <b>Total</b>                                 |                 | <b>\$65,853^</b> |

\* This amount was cut to \$8,000 because only three quarters of data will be collected

^ This amount is the same as the amount requested by the Chamber in August.

In addition, the Chamber agreed to administer the City's Façade Improvement Program for \$10,000 and a 20% commission. This funding comes from the CIP side of the RDA budget.

After agreeing on the general terms, the City requested specific "deliverables" for each category of funding. The mutually agreed-to components, reviewed by the sub-committee, can be found in the attached Scope of Work. This work will be for the remainder of FY04-05, at which point a new contract will be negotiated. The new economic development manager will oversee the contract for the City.

### **Fiscal Impact**

Sufficient funds are available in the adopted RDA budget for this proposal.

### **Recommendation**

Staff recommends the Agency direct the Executive Director to sign a contract with the Belmont Chamber of Commerce for economic development services as outlined in the attached scope of work.

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<sup>1</sup> In July, staff reported a delay of the overall ED plan also meant a delay in the Chamber's funding request, leaving the organization to start the new fiscal year without a clear financial picture. As such, the Agency authorized support to the Chamber for the first quarter of the 2004-05 fiscal year for the amount of \$6,900.

**Alternatives**

1. Modify the scope of work and authorize a contract
2. Do not enter into a contract for services with the Chamber
3. Request additional information from staff
4. Provide other direction

**Attachments**

- A. Resolution and attached Chamber of Commerce Economic Development Scope of Work

Respectfully submitted,

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Daniel Rich  
Interim Executive Director

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF  
BELMONT AUTHORIZING THE EXECUTIVE DIRECTOR TO  
EXECUTE A CONTRACT WITH THE CHAMBER OF COMMERCE FOR  
CERTAIN ECONOMIC DEVELOPMENT SERVICES.**

WHEREAS, the City of Belmont has traditionally funded the Belmont Chamber of Commerce through Community Group Funding; and,

WHEREAS, the Agency was desirous of creating a fee for services arrangement with the Chamber; and,

WHEREAS, the Chamber of Commerce has the capacity and expertise to provide certain economic development services of benefit to the Agency; and,

WHEREAS, on August 10, 2004 the Agency discussed economic development issues and directed staff and a Council sub-committee to work out the details of a contract for services with the Chamber of Commerce; and,

WHEREAS, Exhibit 1 to this resolution is a scope of work for such contract for services in the amount of \$63,853 for fiscal year 2004-2005;

NOW, THEREFORE, BE IT RESOLVED, that the Redevelopment Agency of the City of Belmont authorizes the Executive Director to execute a contract with the Chamber of Commerce for FY 04-05 according to the terms set out in Exhibit 1.

\* \* \* \* \*

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the Redevelopment Agency of the City of Belmont at a regular meeting thereof held on December 14, 2004 by the following vote:

AYES, DIRECTORS: \_\_\_\_\_

NOES, DIRECTORS: \_\_\_\_\_

ABSTAIN, DIRECTORS: \_\_\_\_\_

ABSENT, DIRECTORS: \_\_\_\_\_

\_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Secretary, Redevelopment Agency

\_\_\_\_\_  
Chair, Redevelopment Agency

## **RDA Agreement with Belmont Chamber of Commerce FY 2004-2005**

The Belmont Chamber of Commerce is pleased to submit the following agreement with the City of Belmont for economic development services totaling **\$63,853**:

### **Ongoing Operations and Services**

**\$27,425**

- Business to business support
- Business Resource Center
- Publishing newsletters, maps and guides, etc.
- Represent / co-sponsor at county functions

During the first year of the agreement, the Chamber shall track the number and type of contacts made for business to business support and the nature of assistance provided through the Business Resource Center. Furthermore, the Chamber shall track the nature and type of county functions. Anything tracked for this section should be discrete from items discussed below. This information shall become the basis for developing performance measures for future contract periods.

### **Collection / Analysis of Economic Data**

**\$8,000 \***

Survey top businesses regarding economic activity, prepare reports of local economic conditions, work with City to identify important / valuable data for local forecasting. Reports shall include graphical, analytical and narrative components and be published within 30 days of the quarter then ended.

### **Unsecured Property Taxes**

This annual analysis, conducted in the fourth quarter of the year, will collect data on major renovations and active replacement programs for equipment, furniture and fixtures for that year. It will also survey companies for any future business expansion plans.

Target companies: major businesses in the RDA areas (be on the lookout for new companies moving into Belmont by reviewing business license data).

### **Status of Real Estate**

This quarterly analysis will track total commercial rental space available, vacancy rates and average sq. ft. rates, as well as residential real estate sales figures and trends in Belmont. Consult BT Commercial for statistical information.

### **Status of Employment**

This quarterly analysis will track job growth in Belmont. Statistics should include employment numbers and unemployment rates, and comparisons with previous quarters. Consult EDD for statistical information.

## **Sales Tax**

This quarterly analysis will track sales volume and sales growth on taxable transactions in Belmont. Revenue projections for future quarters are also important.

Target companies: top 10 revenue producing companies, not including grocery stores, gas stations and restaurants.

## **New Business Licenses**

This quarterly analysis will track the number of new businesses in Belmont. The Finance Dept. will furnish a list of new business licenses issued every quarter.

## **Transit Occupancy Tax**

This quarterly analysis will survey latest occupancy rates and factors affecting occupancy, current average room rates, and projections for the following quarter.

Target hotels: Extended Stay, Holiday Inn Express, Motel Six, Summerfield Suites.

\* only three quarters of data will be collected/reported in FY05.

## **Develop a “Doing Business in Belmont” Handbook / Workshops      \$10,000**

This handbook will provide useful information to prospective businesses wishing to locate in Belmont, and will explain the City’s one-stop permit process, fees, ordinances, zoning regulations, code enforcement, and other important information. This professional looking, user-friendly document should be substantial, explaining the City’s processes and giving the rules and examples. The handbook content and layout must be approved by the City prior to publication. In addition to publicity in Chamber publications, one workshop will be conducted. This project will be completed in the second quarter of 2005.

## **Shop in Belmont Campaign      \$18,428**

This program will be launched in the first quarter of 2005 to include the following components:

A “Discover Belmont” banner program for Ralston Avenue and El Camino Real. These colorful street banners are intended to encourage shopping in friendly Belmont. The Chamber will prepare a work plan and budget to be reviewed by the City addressing banner design, design review & approval, location, installation and storage.

A Dine Around Program with Belmont restaurants offering special set menus one day a week will be prepared, including promotional strategies.

Two one-page fliers with a map of Belmont listing major retail stores and dining facilities will be created. One map will be distributed to students and faculty at NDNU to encourage patronage of Belmont businesses. The other will target visitors and will be distributed at hotels.

Gift certificates that can be purchased from the Chamber office for use at any member establishment. A discount coupon program will also be explored.

Completion of this project (other than the banners) will occur by June 30<sup>th</sup> and the banner effort will be underway by that time.

The following program will be funded from the RDA Capital Projects Fund:

**Façade Improvement Program**

**\$10,000 + 20% commission**

The Chamber will administer the City's program to improve commercial building façades. It is understood that the Chamber is to act as the liaison between the client and the City of Belmont.

There will be a general mailing (a cover letter and brochure on the program) to the businesses in the RDA, advising of the existence of this program. They will also be informed that the Chamber will assist them in the process. This will be followed up by personal visits to the most targeted businesses, as well as by telephone calls. The Chamber shall also facilitate businesses in applying for grants for the program. Furthermore, the Chamber shall assist with the processing of applications and preparing recommendations in support or denial of submittals. As part of this service, the Chamber will work closely with staff on technical issues and to identify businesses that could most benefit from the Façade Improvement Program.

Within 30 days of quarter then ended, report will be provided with the list of all the contacts made, as well as the status of all ongoing projects and completed projects.

*Chamber staff shall meet with the City Economic Development Manager, who will manage the contract, on a monthly basis to review progress and discuss any issues related to this agreement.*